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7 Accountants and Consultants for Debtors

8 **UNITED STATES BANKRUPTCY COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 IN RE:

11 PEPPERTREE PARK VILLAGES 9&10, LLC
12 DEBTOR.

13 PEPPERTREE PARK VILLAGES 9&10, LLC
14 CASE No. 17-05137-LT7

15 PEPPERTREE LAND COMPANY
16 CASE No. 17-05135-LT11

17 NORTHERN CAPITAL, INC.
18 CASE No. 17-04845-LT11

19 DUANE SCOTT URQUHART
20 CASE No. 17-04846-LT11

21 DEBTORS.

LEAD CASE No. 17-05137-LT7

CHAPTER 7

(JOINTLY ADMINISTERED)

**MOTION BY BAKER TILLY US, LLP
F/K/A SQUAR MILNER LLP FOR
ALLOWANCE AND PAYMENT OF
ADMINISTRATIVE EXPENSE;
DECLARATION OF STACY ELLEDGE
CHIANG**

Date: December 8, 2022
Time: 2:00 p.m.
Dept.: Three (3)
Judge: Honorable Laura S. Taylor

22 **TO THE HONORABLE LAURA S. TAYLOR, UNITED STATES BANKRUPTCY JUDGE:**

23 Baker Tilly US, LLP f/k/a Squar Milner LLP ("Baker Tilly") files this motion for allowance
24 and payment as an administrative expense for its pre- and post-confirmation chapter 11 accounting and
25 consulting services to debtor, Peppertree Park Villages 9&10, LLC ("9&10") as follows:

26 1. Baker Tilly, through its predecessor-in-interest, Squar Milner LLP ("Squar Milner")
27 served as accountants and consultants to 9&10 until its chapter 11 case was converted to chapter 7 on
28

1 or about June 27, 2022. Subsequently, this Court appointed Gerald Davis as chapter 7 trustee
 2 (“Trustee”). The Trustee set a chapter 11 administrative claims bar date of November 3, 2022 with this
 3 Court’s approval [Doc. 899].

4 2. Pursuant to requirements of the Trustee’s notice of the chapter 11 administrative claims
 5 bar date, Baker Tilly has obtained a hearing date of December 8, 2022, at 2:00 pm to request approval
 6 of this Motion.

7 3. Baker Tilly hereby requests allowance and payment as an administrative chapter 11
 8 expense the outstanding balance of services rendered to 9&10 in the total amount of \$16,855.26. A
 9 summary of charges and payments is attached as Exhibit A.

10 **I. SUMMARY OF FACTS**

11 4. On June 18, 2018, the Debtors filed their *Motion & Application for Authority to Employ*
 12 *Squar Milner LLP Nunc Pro Tunc as Accountants and Consultants for Debtors and Debtors-In-*
 13 *Possession* (the “Application”).

14 5. On or about July 13, 2018, this Court entered its order approving the Application. Squar
 15 Milner’s employment was effective as of August 13, 2017.

16 6. On December 20, 2018, Squar Milner filed its *First Interim Application of Squar Milner*
 17 *LLP for Allowance of Compensation and Reimbursement of Expenses as Accountants and Consultants*
 18 *for Debtors and Debtors-In-Possession* [Doc. 446] (the “First Interim Application”) seeking approval
 19 of fees and expenses of \$70,490.15, of which \$11,545.42 was related to services provided to 9&10.

20 7. On or about January 23, 2019, this Court approved the First Interim Application in full.

21 8. On November 14, 2019, Squar Milner filed its *Second and Final Application of Squar*
 22 *Milner LLP for Allowance of Compensation and Reimbursement of Expenses as Accountants and*
 23 *Consultants for Debtors and Debtors-In-Possession* [Doc. 644] (the “Second Application”) seeking
 24 allowance of \$53,959.00 for the second filing period, of which \$10,672.34 was for services rendered
 25 to 9&10.

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9. On or about December 12, 2019, this Court entered its order approving the Second Application and Squar Milner's fees in their entirety, including total fees and expenses of \$22,217.76 for services rendered to 9&10 [Doc. 669].

10. In 2020, following confirmation of the plan of reorganization in the jointly administered cases, Squar Milner received two payments pertaining to 9&10 totaling \$11,800.00, leaving a balance remaining for the pre-confirmation work of \$10,417.76.

11. Squar Milner subsequently provided post-confirmation services to 9&10 and issued invoice # 283809 (*see* **Exhibit B**), which was prepared and issued in a summary form, without detailed time records in accordance with Squar Milner's standard tax billing practices at the time. This invoice includes charges for 9&10 in the amount of \$4,937.50.

12. Squar Milner combined with Baker Tilly effective November 1, 2020, with Baker Tilly being the surviving entity. Baker Tilly then issued a new tax engagement letter to 9&10, along with related entities, which is attached at **Exhibit C**. Following completion of 9&10's 2020 tax returns, Baker Tilly issued invoice # BT1864899 in the amount of \$1,500.00, also attached at **Exhibit C**.

13. Therefore, Baker Tilly's outstanding balance due from 9&10's as of the date of this filing is \$16,855.26.

II. CONCLUSION

14. Baker Tilly and its predecessor-in-interest, Squar Milner, sought to provide services in a professional manner, consistent with an effort to keep all costs to a minimum. Baker Tilly believes that the billing rates charged are reasonable and within the range of fees charged by its peers for services of a similar nature. The services provided benefited the bankruptcy estate of 9&10 and were necessary for its preservation. Baker Tilly therefore requests allowance of its chapter 11 administrative claim in the total amount of \$16,855.26.

Respectfully Submitted,
BAKER TILLY US, LLP

Dated: November 3, 2022
Wilmington, Delaware

/s/ Stacy Elledge Chiang
Stacy Elledge Chiang, CPA/CFF, CIRA

DECLARATION OF STACY ELLEDGE CHIANG

I, STACY ELLEDGE CHIANG, declare:

1. I am a Certified Public Accountant and a director of Baker Tilly US, LLP f/k/a Squar Milner LLP (“Baker Tilly”). The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto.

2. In the ordinary course of its business, Baker Tilly maintains a record of all time expended by its professionals on a computerized time and billing system. At or near the time professional services are rendered, accountants and other Baker Tilly professionals prepare a written record and/or make an entry directly into the computerized billing system for the time expended including a detailed description of the services provided. At any time, a reimbursable charge is incurred on behalf of a client, a record is likewise made and transcribed into the computer system. Baker Tilly conducts its business in reliance upon the accuracy of such records.

3. As noted in this Motion, Squar Milner LLP (“Squar Milner”) combined with Baker Tilly US, LLP effective November 1, 2020. To prepare this motion for allowance of chapter 11 administrative expense, Baker Tilly’s billing department provided me with the underlying accounting information from Squar Milner’s legacy billing system as well as Baker Tilly’s current billing system as required to prepare **Exhibit A**, the summary of charges and payments made pertaining to Peppertree Park Villages 9&10, LLC.

4. I have personally reviewed the Motion and exhibits. I have determined that all charges contained therein were necessary and reasonable in the circumstances.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 3rd day of November 2022, at Wilmington, Delaware.

/s/ Stacy Elledge Chiang

Stacy Elledge Chiang, CPA/CFF, CIRA